

ISSUE DATE: June 3, 1998

DOCKET NO. P-404, 407, 520, 405, 426, 427, 421, 430/CP-96-564

ORDER CERTIFYING POLLING RESULTS AND DIRECTING IMPLEMENTATION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey
Joel Jacobs
Marshall Johnson
LeRoy Koppendrayner
Gregory Scott

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service From New Germany to the
Metropolitan Calling Area

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427, 421, 430/CP-96-564

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PROCEDURAL HISTORY

On May 20, 1996, the Commission received a petition for extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA) from subscribers in GTE's (Contel of Minnesota, d/b/a GTE Minnesota) New Germany exchange. The matter was assigned to Docket No. P-404, 407, 520, 405, 426, 427, 421, 430/CP-96-564.

The route met the Commission's adjacency and traffic criteria and the Commission ordered the affected telephone companies to prepare cost studies and proposed rates according to previously established and accepted methodologies.

Between January and March 1997, the companies filed cost studies and proposed rates.

The Minnesota Department of Public Service (Department) filed a report and recommendation and GTE filed reply comments. The Department also filed comments in response to GTE's reply. The Department argued that GTE and other companies had not accounted for all potential access cost savings from the conversion of toll routes to local (EAS) routes. Therefore, according to the Department, the proposed rates would not leave the affected companies in income neutral positions.

Between November 7 and November 14, 1997, the Commission issued Orders in all eight cases, accepting the affected companies cost studies and adopting rates for polling. The Order adopting rates for polling New Germany customers was issued November 7, 1997.

On December 1 and 2, 1997, the Department filed motions for reconsideration in the New Germany and Atwater EAS cases.

On December 10, 1997, GTE filed reply comments.

On January 20, 1998, the Commission issued its ORDER DENYING RECONSIDERATION.

Accordingly, polling was conducted in the New Germany exchange, as directed by the Commission's November 7, 1997 Order, between March 5 and April 20, 1998.

The Commission met on May 5, 1998 to consider this matter.

FINDINGS AND CONCLUSIONS

A. Certification of Polling Results: New Germany to the MCA

The results of the polling show that a majority of voting subscribers in the New Germany exchange voted in favor of EAS to the Metropolitan Calling Area (MCA). The results were as follows:

Voting Exchange	Petitioned Exchange(s)	Res. EAS Rate	Bus. EAS Rate	% Voting	Yes		No	
					#	%	#	%
New Germany	Metropolitan Calling Area	\$32.15	\$64.30	77.0	254	71.8	100	28.2

B. Order for Installation

The third and final statutory criterion for EAS is that a majority of customers responding to a poll in the petitioning exchange favor its installation. Because a majority of New Germany customers returning their ballots voted in favor of the proposed EAS route, the third and final criterion is met in this petition.

Accordingly, the Commission will direct GTE to implement the requested EAS route within 12 months of the date of this Order. To expedite and coordinate the implementation process, the Commission will order GTE to coordinate implementation of EAS with the other telephone companies serving the MCA and file a schedule of the planned implementation within 60 days of this Order. The Company will also be required to file an explanation of the reasons for any subsequent change in that schedule.

C. Miscellaneous

Details regarding recovery of the non-recurring expenses caused by non-recurring costs of EAS balloting, rate additives for the MCA exchanges, the further choice available to Montgomery customers, customer notice approval process, and tariff filing requirements are addressed in the Ordering Paragraphs.

Implementation of EAS in this docket and in the Montgomery exchange (see Docket No. P-405, 404, 407, 520, 426, 427, 421, 430/CP-96-649) will proceed on somewhat parallel tracks. The Commission would, therefore, encourage Frontier and GTE to work together closely toward the implementation of these two routes. A well-coordinated implementation schedule would allow all the affected telephone companies to issue a single customer notice for the announcement of the addition to the MCA of both Montgomery and New Germany and may help to avoid duplication of other implementation activities.

ORDER

1. The petition for EAS between New Germany and the Minneapolis/St. Paul Metropolitan Calling Area (MCA) is approved. GTE Minnesota (GTE) shall implement the service within 12 months following the date of this Order.
2. GTE shall coordinate implementation of EAS with the other telephone companies serving the MCA and file an implementation schedule within 60 days of the Order. If, for some reason, the implementation schedule changes, GTE shall immediately notify the Commission and explain the reason(s) for the change(s).
3. GTE shall file the first of two proposed customer notices for approval by Commission staff within 10 days of the date of the Order. The notice shall list the results of the polling, the EAS additives and the proposed implementation date. After approval, the Company shall serve the notice in the first possible billing cycle for its New Germany exchange.
4. GTE shall work with Commission staff to conduct a poll of its New Germany customers to determine each individual customer's choice of EAS calling plans, i.e., flat rate EAS versus the lower cost alternative. GTE shall conduct this poll approximately two months before it implements EAS. GTE shall report the results of the balloting to the Department and the Commission. Customers who do not respond to the Company's poll shall be assigned to, or default to, the lower cost alternative.
5. GTE shall send a final, Commission approved, notice to its New Germany customers, either by bill insert or separate mailing. This final notice shall describe the service, instruct customers on dialing, list the additional monthly rates, the date of implementation and any other information pertinent to the customer's selection of EAS options. The Company shall issue this notice one month before it implements EAS.

6. GTE shall make any requests for recovery of non-recurring costs at least 120 days before the planned implementation date. The Department of Public Service shall have 30 days to comment on the proposed charges.
7. All telephone companies serving the MCA shall file proposed customer notices for approval by Commission staff 90 days before the anticipated implementation date for the New Germany route. This notification shall describe the service, instruct customers on dialing, list the additional rates to be paid and the date of implementation. The companies shall include their notices in the billing cycles that conclude at least one month, but not more than two months, before EAS is implemented.
8. GTE and all the affected telephone companies shall file tariff sheets reflecting Commission Orders that establish the rates and terms for EAS between New Germany and the MCA at least 30 days before the implementation of EAS. Docket No. P-404, 407, 520, 405, 426, 427, 421, 430/CP-96-564 will then be closed.
9. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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